



Meeting Notes

Exploring Cleanup and Redevelopment Opportunities Along the Route 66 Corridor Powerhouse Visitor Center, Kingman Arizona

April 15, 2008



Welcome and Introductory Remarks

Matt Capalby, Director of the Arizona Department of Environmental Quality's (ADEQ) Northern Regional Office, welcomed participants.

Matt said the Powerhouse project has been very beneficial to the city of Kingman. Thanks to the leadership of several persons, this is a fantastic example of what we can do with teamwork and bringing resources together.

Matt introduced the Honorable Lester Byram, Mayor of Kingman. Mayor Byram welcomed participants, especially the out-of-town guests. He said two issues Route 66 cities need to cope with are old motels and gasoline service stations. This meeting will include discussion on how to enhance and refurbish these old structures. Also, specific to Kingman, the old hospital will need to be addressed in the near future.

The Powerhouse was an eyesore for several years. The city council knew it would be expensive to refurbish. With the persistent work of Mr. Toby Orr and others, and with the help of several grants, it has been turned into one of the premier Route 66 museums in the country. What was an eyesore is now a great facility. It is a hit with tourists from all over the world.

Steve Linder, Manager of the U.S. Environmental Protection Agency (EPA) Region IX Underground Storage Tanks Program, was introduced. Steve and his staff have been instrumental in closing old, abandoned underground storage tanks throughout Arizona.

Steve thanked Kingman, Mohave County and ADEQ for the work in organizing the conference. He noted that revitalizing properties is one of the most exciting things EPA

does. EPA's Brownfields program is intended to help revitalize properties. Brownfields are properties for which contamination (or perceived contamination) hampers reuse/redevelopment. ADEQ is one of the nationwide leaders in providing assistance for Brownfields sites.

Steve remarked that, during a visit to Winslow several years ago, he was surprised at the number of abandoned gas stations in the area. At the time, most of the federal Brownfields resources were going to larger cities, and he realized the importance of directing more resources to smaller communities, particularly those along Route 66. Assistance for smaller projects makes a greater difference.

This year, EPA is awarding 300 Brownfields grants nationwide. Resources are available, but it takes local champions to make the projects work. Steve added that, during the presentation, participants should think about how these resources can be made to bear for projects in the Kingman area.

Patrick Cunningham, Deputy Director of ADEQ, was introduced. Pat recognized the local officials in attendance. He also thanked the partners who have contributed to the conference.

Patrick stressed that asbestos is a major consideration for redevelopment. Asbestos, when not properly controlled, can result in serious health effects. Consequently, ADEQ is getting out in the rural communities early and often to provide guidance with renovation and demolition projects. In 2008, ADEQ will be holding asbestos seminars in Northern Arizona.

A goal of this seminar is to gather attention for what is a difficult problem. Local champions are needed and ADEQ is committed for the "long haul". We think much good work can be accomplished, using federal and state monies. Rural Arizona should receive a fair share of resources.

ADEQ's State Lead Program is a popular program for clean up of leaking underground storage tank sites. It helps eliminate much of the worry for landowners. ADEQ has a variety of other programs as well. Talk to us!

Route 66 UST Initiative

Bill Engstrom, of ADEQ's Tank Programs Division, gave an overview of underground storage tank (UST) closures and cleanups along Route 66. ADEQ initiated the Route 66 UST Initiative to expedite clean up of leaking UST sites and closure of abandoned tanks along and nearby the historic highway.

There are 14 open leaking UST sites in Kingman. In contrast, there are 43 leaking UST sites in the vicinity of Holbrook and Winslow. ADEQ is focusing on these (and similar Route 66 sites) with a goal to complete the cleanups as soon as possible.

The State Lead Program is a tool available to landowners for cleanup and closure of leaking UST sites. Under this program, the work is done via ADEQ contractors.

One tool which has been utilized effectively since 2004 in Arizona is the Municipal Tank Closure Program (MTCP). This program allows ADEQ to remove and close orphan (abandoned) USTs at no cost to property owners and local governments. Abandoned UST properties in cities and towns under 15,000 persons and in unincorporated areas are eligible. Applications are submitted by local governments and property owners must sign an access agreement. To date, ADEQ has removed 150 USTs at 78 MTCP sites around the state. If contamination is discovered, ADEQ will not walk away from the site; rather, contractors are hired to complete any necessary cleanup.

Bill stressed that tank closure and property cleanup is an important step toward productive reuse of gas station sites. He cited examples in Holbrook and other areas where cleanup has facilitated productive property reuse.

To help ensure property owners have an opportunity to take advantage of these programs while monies are available, ADEQ conducted a reconnaissance visit to Mohave County in 2007. Maps have been created for sites where abandoned tanks may exist. Help from the communities would be invaluable to this process.

Bill directed participants to ADEQ's Route 66 Initiative Web page: <http://www.azdeq.gov/enviro/ust/66/index.html>. Also, he introduced Mark Rhoades (602 771- 4295) and Mike Latin (602 771-4308) as excellent ADEQ contacts. Mark is the agency's expert on Kingman-area sites, and Mike manages the State Lead and MTCP programs.

Matt Capalby emphasized that we are here to work together.

Brownfields Funding for Property Reuse

Arcelious Stephens, ADEQ Brownfields Coordinator, explained that there are two segments of Brownfields funding – federal and state. There is a lot to the definition of “Brownfields”, but the bottom line is there is room for creativity and “thinking outside the box.”

Abandoned industrial properties can be associated with blight, environmental risk, decreased property values, and safety concerns. The federal and state Brownfields programs are designed to address all of these issues. Properties with hazardous substances, petroleum substances and mind-scarred land are eligible for funding. Asbestos, on the other hand, needs to be evaluated on a case-by-case basis for funding.

For state Brownfields funds, governmental entities and non-profit organizations are eligible. The program is designed to help move properties in rural Arizona toward redevelopment. There is no competition with the state's metropolitan areas. “This is

about you.” Many rural communities have obtained funding, including Winslow, Avondale, St. Johns, Globe, Yuma County, Wickenburg and Willcox.

The program begins with a Phase I Environmental Site Assessment and a Phase II Environmental Site Assessment (ESA) if needed. Phase I helps address the unknowns, such as whether USTs may exist. Phase II includes sampling to determine if cleanup is needed. Just because a site has contamination doesn’t mean cleanup is needed. The ESA reports can be given to developers, prospective purchasers and others. Knowing what’s there can often be enough to encourage work to move forward.

State Brownfields monies can be used for cleanup, to \$200,000. There is no cost share or matching fund requirement at the state level for Brownfields cleanup grants. Step 1 is to talk to ADEQ to discuss a potential Brownfields site. Step 2 is to apply for funding. Application can be made at anytime during the year. Either the applicant can hire the contractor or ADEQ can serve as the contract agent. It is important to remember that Brownfields are sites with a productive goal in mind.

In response to a question regarding cleanup requirements if deemed necessary via an ESA, ADEQ stressed that new property owners who have never used USTs are not liable for the cleanup.

Laurie Amaro, of the US EPA Region IX UST and Brownfields Programs, discussed the Federal Brownfields program.

UST-related laws are intended to protect our water supplies. UST owners and operators were required to upgrade their tanks by 1998. This requirement may have inadvertently contributed to the nearly 200,000 abandoned gas stations nationwide.

Brownfields grant opportunities didn’t originally include petroleum sites, but petroleum sites (including fuel terminals, tank farms, gas stations and oil fields) are now included. Illegal drug labs also qualify. EPA’s grants are awarded on a competitive basis. This year, \$74 million will be awarded to governmental and non-profit organizations for assessment and clean up. Revolving Loan Fund monies are also available to certain private entities.

Assessment grants can be site-specific and community-wide. Community-wide assessment grants are used help local governments identify sites, determine property ownership and plan for cleanup. Flagstaff, for example, has a Route 66 Corridor assessment grant. A county can apply for assessment within multiple communities and the state of Oregon completed a state-wide assessment.

Clean up grants can be funded for up to \$200,000 with a 20 percent cost share. They are specific to cleanup and not redevelopment.

Arcelious Stephens offered assistance on the state level to identify the best Brownfields opportunities. Matt Capalby suggested the formation of a coalition to prepare for an

assessment grant project for the portion of Route 66 between Kingman and Topock. He said we should work together, and ADEQ is happy to assist with a specific meeting.

April Arroyo, City of Flagstaff Brownfield Specialist, invited participants to attend a city-sponsored Brownfields workshop in June.

Additional Funding Resources

Kaisa Barthuli, of the National Park Service Route 66 Corridor Preservation Program, offered her perspective on why Route 66 is special. She indicated that it is representative of many U.S. highways, and was one of the most well-traveled routes in history. While decommissioned in 1985, Route 66 is not about to die. The public is interested in keeping its legacy alive.

The World Monument Fund has listed Route 66 as one of the world's most endangered resources. In 1990, U.S. Congress found that Route 66 has national historic significance, and the Route 66 Corridor Preservation Program began in 1999. It consists of two staff members, of which Kaisa is one. The program goal is to preserve historic properties from the period of significance (1926 – 1970), and the road bed itself.

Old gas stations reflect the fashions of the time, the whims of “mom and pop” owners and corporate America’s experimentation with branding. The architecture has stories to tell. Many of these structures are abandoned and neglected, and not often recognized for historical value. Heightened awareness is needed to stop their destruction. Kaisa’s program offers technical assistance and cost share grants for enhancements to motels, gas stations, cafes, etc:

- 79 projects have been funded for nearly \$1 million (primarily seed money to leverage other funding sources).
- Match is required (cash or in-kind).
- The focus is on brick and mortar projects, planning, research and education.
- Anyone can apply and the process is competitive.
- Projects range in cost from \$5,000 - \$50,000.
- Subject properties must be on, or in view of, the official Route 66 alignments.
- Priority is given to travel-related properties.
- Arizona examples include: Kingman (roof repairs for a historic building); Hualapai Fuel Station (Peach Springs); Frontier Motel (Truxton); Joe and Aggie’s Café (Holbrook) and the Wigwam Motel (Holbrook).

Kaisa detailed other agencies and organizations which can provide assistance, including the State Historic Preservation Office (listing on the National Registry of Historic Places), Small Business Administration, Arizona Department of Commerce, USDA Rural Development (grants, business programs, inventories), Arizona Department of Transportation (Transportation Enhancement Program) and America’s Byways Program.

The Transportation Enhancement grants are for historic preservation of transportation-related properties. An example of a grant project is the redevelopment of the La Posada Hotel in Winslow.

The stretch of Route 66 in Arizona is a National Scenic Byway. The local byway coordinator is based in Flagstaff. Funding proposals must address management plan priorities.

Kaisa closed by stating, “These properties are jewels in the rough, just waiting for some TLC.”

Glenn Schlottman, Tourism Education and Development Manager for the Arizona Office of Tourism, provided information on programs through the Office of Tourism, including grants, workshops, Arizona Tourism University and marketing assistance.

Tourism is one of Arizona major industries. In 2006, 33.7 million visitors spent \$186 billion in the state for goods and services, and provided \$2.6 billion in tax revenue.

Glenn highlighted two grant programs available through the Office of Tourism, namely TEAM Grants and Rural Tourism Development Grants.

TEAM Grant:

- This grant program is intended for marketing, and is normally for communities and non-profit organizations, “having a product to sell.”
- Communities which promote a destination on a year-round basis are eligible to apply.
- Monies can be used for advertising, Web site development, printed materials, strategic planning and research, product development, etc.

Rural Tourism Development Grant:

- Grants are offered every year, and successful applicants have two years to spend the money.
- A 25 percent match is required, of which 10 percent may be in-kind.
- The maximum award is \$50,000.
- Grant objectives are to help promote tourism and help tourism-related organizations function more efficiently.
- Examples of projects include kiosk development, infrastructure improvements, public parking lots and bricks and mortar improvements.

A third grant program is available specifically for official visitor information centers, including the Powerhouse.

Lisa Henderson, State Coordinator of the Arizona Main Street Program, offered suggestions for moving forward on redevelopment projects. She indicated that saving historic buildings is most useful when economically feasible or sustainable.

There is a need to change attitudes and focus on existing assets. Community leaders should think, “Why do people come here, why do they want to stay here?” Many resources are available, but people need to come together. One person can’t do it alone.

The Main Street Program was established in 1986, and 15 rural communities participated. Technical assistance and financial assistance is available. It is a long-term program. Collaborative Partners include the State Historic Preservation Office (SHPO) and the Arizona Department of Transportation (Transportation Enhancement funding). Lisa strongly suggested making contact with SHPO early in the process if a historic building is suspected or assumed.

Arizona is one of only a few states with a Heritage Fund program (funding via Lottery monies).

By 2050, Arizona is projected to have 16 million people, most of whom will live along the major transportation corridors. We must plan for the future. What are we doing to plan for the future? How do we make sure the Route 66 corridor grows successfully?

Matt Capalby suggested that the economic downturn for new construction projects offers an opportunity to refocus on revitalizing downtown properties, which can lead to improved local economies.

Keynote Speaker

Toby Orr was instrumental in the redevelopment of the Powerhouse Museum and Visitor Center. He spoke on the nature of this successful project.

Toby said the project lasted ten years and included 13 different grants for a total of \$2 million. A key step leading toward building preservation was its placement on the National Register.

While the project took a long time and was often frustrating, it was rewarding and a chance to give back to the community.

For similar projects, Toby advised long-term vision, tenacity and private/public partnerships.

Breakout Sessions and Discussion

Funding Session

National Park Service (NPS): There are grants from the NPS with a primary focus on the Route 66 Corridor.

ADEQ Underground Storage Tank (UST) Program: About \$30 million are generated from a gas tax that supports the State Assurance Fund for cleanup of UST releases.

Monies are still available to assist UST owners/operators along Route 66 for petroleum releases.

Rural Tourism Development:

- A \$500,000 grant that can be used for infrastructure;
- TEAM grants available; and
- Can be used to enhance established information to visitors.

Department of Commerce offers grants for:

- Small Business assistance;
- Job training; and
- List of other items awaiting grant applications.

Brownfields Grants: The EPA offers: 1) \$200,000 community-wide assessment grants (competitive) covering areas, not just a specific site; \$200,000 site-specific grants (competitive); federal LUST/Trust Fund monies; and job training grants.

ADEQ offers targeted, site-specific grants, with a suggested initial grant request of \$50,000. Grants can be used for assessment and cleanup projects.

Based on the name of an agency, and its obvious association or intended purpose, do not assume a grant(s) from that agency will not fit a specific need necessary to complete a project.

Redevelopment Success Stories and Technical Assistance Sessions (combined):

- ADEQ's Voluntary Remediation Program (VRP) is utilized when a no-further action letter is desired by lenders, property owners and prospective purchasers. The VRP is a proven clean up and redevelopment tool.
- It is important to talk to regulatory agencies early in the process, which can save time and money in the end.
- Creativity, persistence and working closely with the regulatory agencies often results in simpler solutions.
- Asbestos requirements can't be ignored.
 - ADEQ is sponsoring an asbestos awareness workshop in Kingman on August 15.
 - ADEQ offers technical assistance.
 - Correctly addressing asbestos up front saves substantial time and money.
 - The Standin' on the Corner Brownfields site in Winslow is an example of how creativity and working together resulted in a full clean up and facilitated redevelopment of this important property.
 - For local governments, the state contract may be a vehicle for saving time and money on asbestos projects.